

**STATE BOARD OF FINANCE**  
**November 12, 2013**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

Guinn Room  
101 N. Carson Street  
Carson City, NV 89701

Governor's Office Conference Room  
555 E Washington Avenue, Suite 5100  
Las Vegas, NV 89101

Governor Sandoval called the meeting to order at 9:00 A.M.

**Board members present:**

Governor Brian Sandoval – Carson City  
Treasurer Kate Marshall – Carson City  
Controller Kim Wallin – Carson City  
Steve Martin – Phone  
Dave Funk – Phone

**Others present:**

Mark Mathers, Chief Deputy Treasurer  
Lori Chatwood, Deputy Treasurer – Debt Management  
Jennifer Chisel, Deputy Attorney General  
Richard Jost, Fennemore Craig Jones Vargas  
Peter Czajkowski, Stifel Nicolaus  
Dr. Michael Harter, Touro University  
Mel Ness, Touro University  
Mark Salimena, Optimal Capital Group - phone

**Agenda Item 1 – Public Comment:**

There were no public comments.

**Agenda Item 2 – For possible action - Presentation, discussion and possible action on the City of Henderson's request (through the Henderson Public Improvement Trust) to issue \$40,000,000 in private activity bonds for the benefit of Touro University, a non-profit corporation.**

Michael Harter introduced the staff present with him. Michael Harter stated Touro University opened in 2004. Touro University has over 1,300 students and more than 300 faculty and staff. Touro is a Jewish Sponsored Organization. In 2004 Touro University open the schools of Nursing, Occupational Therapy, and Education. In 2009 Touro University opened up the School of Psychical Therapy as well.

Richard Jost stated the Trust received an application from Touro University wanting to refund the bonds the Trust had issued in 2008. The Trust and the City Council have unanimously approved the resolution to move forward.

Treasurer Marshall asked for a detailed presentation of exactly what the Board was being asked to approve. Peter Czajkowski stated that the purpose of the bonds is to refund the entire existing debt with GE Capital and also fund a building expansion. The Principal will begin to be paid off starting beginning the first year and every year after. There was an explanation that this refunding will be coordinated with refundings of Touro's other facilities in New York and California and that a master trust indenture that cross-collateralizes all debt will be accomplished, thus establishing consistent covenants for all Touro's public debt.

Treasurer Marshall asked Touro's financial advisor to explain the reasons for why the term of the university's debt is being extended, why there is an increase to the amount of debt, and the bonds have a higher amount of interest. Mark Salimena stated Touro has come to the point where they can receive an investment grade credit rating. There was discussion of the fact that Touro's current debt has a put option in several years and that the refunded debt will have no put option. While the rate on Touro's debt is lower than the expected interest cost of the refunded debt, the current debt is variable rate and the rate will likely increase on the next reset date. With the refunded debt, Touro University will avoid higher rates, eliminate all reset issues, and the new structure will use a standard vanilla debt structure.

Treasurer Marshall expressed concern about approving the sale based on certain representations and then the structure being changed after Board approval. There was discussion of the revised term sheet that was distributed to the Board in a separate email by the Treasurer's Office. The revised term sheet was re-circulated to the Board. Treasurer Marshall asked that her office receive information on the structure of the bonds before and after the final sale. Mark Salimena stated Touro University would like Treasurer Marshall to be included within the entire process until closing.

Controller Wallin asked if the total interest rate as a whole would go down. Peter Czajkowski answered Touro University has a fixed rate in the New York Campus.

Governor Sandoval asked if Touro University had current good standing credit. Touro University stated that was correct.

Treasurer Marshall made a motion to approve the Touro's revised term sheet with the caveat that Touro University send the Board of Finance a summary of the actual sale. Controller Wallin seconded the motion. Motion passed 5-0.

**Agenda Item 3 – For possible action – Discussion and possible action on the Nevada Housing Division’s request to approve the Findings of Fact pertaining to the issuance of up to \$12,000,000 of Nevada Housing Division Multi-Unit Housing Revenue Bonds (Landsman Gardens Apartments), Series 2013C for the purpose of financing a 100-unit affordable family rental project in Henderson, Nevada. Approval of the Board of Finance is required pursuant to NRS 319.270(4).**

David Heath stated the Nevada Housing Division is requesting the Board to approve the issuance of the Multi-Unit Housing Revenue Bonds to \$12,000,000 due to more renovations. This is a modification of the amount requested for this project on September 10, 2013.

Governor Sandoval asked if David Heath could briefly review the new terms of the investment. David Heath stated the remainder of the bonds will be financed through equity funding by PNC Bank.

Treasurer Marshall asked if the terms of use of bonds had changed. David Heath stated the costs are the same.

Dave Funk asked if the Board was going to approve the additional amount. Deputy Attorney General Jennifer Chisel stated the Board should unapprove the first action and make a new motion for Agenda Item 3.

Dave Funk made a motion to withdraw the approval of Findings of Facts from September 10, 2013 with respect to Landsmen Garden Apartments. Treasurer Marshall seconded the motion. Motion passed 5-0

Treasurer Marshall made a motion to approve Agenda Item 3. Steve Martin seconded the motion. Motion passed 5-0.

**Agenda Item 4 – Discussion and possible action regarding the approval of a Collateral Security Agreement between the Office of the State Treasurer and Heritage Bank of Nevada as prescribed within the agreement.**

Mark Mathers stated Heritage Bank needed a Collateral Security Agreement.

Controller Wallin made a motion to approve the agreement with Heritage Bank of Nevada. Dave Funk seconded the motion. Motion passed 5-0

**Agenda Item 5 – For possible action - Discussion and possible action regarding the State Treasurer’s quarterly investment report for the quarter ended September 30, 2013 and investment policies for General Portfolio and Local Government Investment Pool (LGIP).**

Mark Mathers stated the Treasurer’s office is asking for re-approval of the investment policies of the General Portfolio and Local Government Investment Pool and approval of the quarterly investment reports. Mr. Mathers explained that yield of the portfolios has decreased slightly due

to the fact that the Treasurer's Office has reduced maturities of investments in order to have sufficient liquidity due to the federal government shut down.

Dave Funk made a motion to approve Agenda Item 5. Steve Martin seconded the motion. Motion passed 5-0.

**Agenda Item 6 – Public Comment**

There were no additional Board comments or public comment.

Treasurer Marshall made a motion to adjourn the meeting. Controller Wallin seconded the motion. The motion passed 5-0.

There being no further business, the meeting was adjourned at 9:55 A.M.